

FISCAL NOTE

SB 1158 - HB 1445

March 14, 2001

SUMMARY OF BILL:

- Adds provisions that set forth fees, points and interest rates that can be charged on home loans. Imposes restrictions and limitations on home loans and limits practices by mortgage brokers and lenders.
- Requires the Commissioner of Financial Institutions to publish, on the fifteenth day of each month, the maximum rate of interest for home loans. The rate would be computed by adding 6% to the latest noncompetitive rate for six-month U. S. Treasury bills, rounded upward or downward as the case may be, to the nearest one-half of one percent or 15% whichever is greater. Requires the commissioner's published rate to serve as a maximum interest rate for fixed rate mortgages made during the following month. Limits the maximum interest rate for variable-rate home loans to the rate of interest established by the Commissioner for the previous month.
- Allows the Attorney General, the Commissioner of Financial Institutions, or any party to a consumer home loan to enforce the provisions of the bill.

ESTIMATED FISCAL IMPACT:

**Increase State Expenditures - \$92,742 Recurring
\$9,000 One-Time**

Increase State Revenues - \$80,000

Estimate assumes:

The need for two Loan Examiner 3 positions and related expenses in the Department of Financial Institutions to ensure compliance with the bill.

An increase in state revenues from fees charged for additional compliance examinations (400 additional examination days x the \$200 per day examination fee = \$80,000).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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